

Montana

Economic Development Reservation Assessment

Prepared by RJS & Associates, Inc. (*RJS*)

under commission from the

State Tribal Economic Development Commission (STEDC)

February 2001

INTRODUCTION

This executive summary is reflective of 11 months of intensive research conducted by RJS & Associates, Inc. (**RJS**) under commission from the **State Tribal Economic Development Commission (STEDC)**, as required under HB 670. The results of this study are reflective of actual data gathered from, and approved by, the seven Federally recognized Indian Reservations in the State of Montana for dissemination purposes.

Further, **RJS** believes that given the unique circumstances encountered at each of the seven Indian Reservations studied, we have produced a one-of-a-kind report which provides a “snapshot” of the economic conditions presently existing within the reservations of Montana.

While some of the data did not come as a surprise to the researchers, much of the statistical information, once analyzed, provided the editors with the means to develop very interesting conclusions. Examples include:

- I. The average unemployment rate of the seven Indian Reservations is **65%**;
- II. The seven reservations contributed more than **\$2,180,767,022** to their local economies in salaries alone (excluding the goods and services required to keep the studied entities in operation);
- III. More than **90% of individuals surveyed** reported that most of their entire salary was spent off the reservation in either “border towns” or larger commercial centers; and
- IV. The percentage of enrolled tribal members residing on their own reservation averaged **61%**.

Finally, the executive summary provides the reader with the background of the study, the economic impact on the State of Montana, the economic infrastructure of the seven Reservations studied, the major commonalities and differences across reservations, a summary of the survey responses received from respondents, and a list of recommendations and conclusions supported by this economic assessment.

I. Background of Study:

The 1999 Montana Legislature passed HB 670, the ‘*Native American Economic Development Act of 1999*,’ which established the **State Tribal Economic Development Commission (STEDC)**. The bill, signed into law by former Governor Marc Racicot, created a commission composed of representatives from each of the seven Indian reservations in the State of Montana, the Coordinator of Indian Affairs, and a representative from the Montana State Department of Commerce. One of the fundamental purposes of this commission was to conduct and oversee a comprehensive assessment of the economic needs and priorities of each reservation in the State. With this information, the **STEDC** will provide recommendations to the State of Montana regarding the economic status and development potential of the Indian reservations in the State.

The bill **mandated** a study of the economic conditions on the reservations in the State. The data to be gathered were comprehensive and included current economic development on the reservations; demographics; economic strengths and weaknesses; natural resources; human resources; business assistance programs; training and technical assistance; land use; barriers to economic development; and relevant tribal, state, and Federal policies.

In addition, the 2001 Montana Legislature recently passed HB 21 which ‘*Extends the Duration of the Indian Economic Development Commission*’ through June 30, 2005. HB 21 provides for a continuation of the commission’s charge and authorization to seek funds based on the needs identified in this study. The Honorable Governor Judy Martz signed the bill into law on March 19, 2001.

In the Summer of 2000, the **STEDC** released a preliminary request for proposals to conduct the *Montana Economic Development Reservation Assessment*. After a long and arduous process, the contract was finally let on October 10, 2000. If the contract had been let during the summer, the authors firmly believe that the final report would have been available to the Montana Legislature during the 2001 Legislative Session, if not prior to its convening. However, the delay in letting the contract caused delays in the study itself, most notably due to Tribal elections and changes in administrations, survey instrument development with numerous revisions, holidays, and unpassable road conditions related to weather problems inherent to Montana winters.

On October 10, 2000, contract number **GOV00-342R** was signed between the State of Montana and RJS & Associates, Inc. (**RJS**). **RJS** is a nationally-recognized consulting firm, which is 100% Indian-owned and staffed and located in Rocky Boy, Montana. **RJS** has numerous years of experience conducting similar studies, developing programs, and writing grants for our clients, most of them in Montana. During the past three fiscal years, **RJS** has brought in over **\$46 million** for our clients, most of which were resources that went directly into Montana communities.

Our program development experience is directly relevant to this study in a number of ways:

- (1) **RJS** has an intimate knowledge of the Indian reservations in the State of Montana.
- (2) One of the ultimate goals of this Commission is to seek funds for economic development endeavors for the reservations and for **self-sufficiency** of the **STEDC**.
- (3) Federal dollars contribute significantly to Montana's economy, and this is especially true on the seven Montana Indian Reservations. However, excess dependence on those resources is dangerous, because there is no promise that they will continue to be available in future years.
- (4) Finally, Montana's Indian Tribes suffer from an over-dependence on Federal funds, which is not only problematic from a practical standpoint, but it is also a hindrance to the true self-sufficiency which is necessary to maintain tribal sovereignty. It is hoped that through the fulfillment of this law, the State of Montana, in a collaborative effort with Tribes, can promote and advance the economic prosperity for all Montanans.

II. Methodology:

As outlined in the original proposal for the contract, the work plan called for each reservation to be visited at least twice (and probably three times) by a team of **RJS** staff. The teams consisted of:

- I. Dr. Robert J. Swan, **RJS** Chief Executive Officer
- II. Mr. James R. Swan, **RJS** Chief Operating Officer
- III. Mr. Loren "Bum" Stiffarm, **RJS** Deputy Director

- IV. Ms. Barbara Stiffarm, Team Member
- V. Mr. Neal Rosette, Team Member
- VI. Mr. Louis Parisian, Team Member
- VII. Mr. Allen J. LaMere, Team Member

In addition, **RJS** employed extra part-time staff for data entry and data compilation.

On each visit, between one and three team members traveled to the reservation to gather specific data for compilation. As a part of this study, photographs were also taken, which have been supplied in photo albums including negatives, as a companion to this report. It was the tasks of these teams to complete the following survey instruments:

- I. Reservation Assessment Profile
- II. Tribal Business Questionnaire
- III. Community Survey Questionnaire
- IV. Higher Education Survey Questionnaire
- V. Elementary and Secondary School Survey Questionnaire

Originally, **RJS** intended to videotape community meetings as part of the study. However, after speaking with reservation-based contacts, the concept of scheduling community meetings was discarded in favor of the implementation of a community based survey instrument. All business, local education agencies, college and community surveys were left with self-addressed stamped envelopes so that the respective entities could return them to the **RJS** offices.

At each site visit, **RJS** staff utilized the *Reservation Profile* instrument to gather essential baseline and demographic data. Because of the diverse nature of the information requested by the instrument, multiple stops were required at many different tribal and other governmental offices on the reservation. For example, the Bureau of Indian Affairs (BIA) Agency Office and Indian Health Service (IHS) Service Unit Director were asked to contribute specific information for the study. However, the only information received from these two Federal Governmental entities was from the Fort Belknap IHS. As a result, the amount and content of data provided by the Tribes and other local or Federal departments was very sporadic and made the task of coming to conclusions very difficult.

Upon returning to **RJS** offices, staff members filed trip reports documenting contacts made, information collected, the number of surveys left, and outcome of the trip. Once survey instruments were received through the mail, **RJS** immediately conveyed this information into a database for later review.

Further, **RJS** team members decided to conduct a survey of American Indian college students attending the University of Montana, utilizing the same process and instrument as the community questionnaire. A total of 296 surveys were mailed out to these college students with 31 completed and returned. The University of Montana was chosen as **RJS** felt that a diverse representation of students from various Indian reservations in Montana were attending that institution, including our student interns.

As mentioned previously, many of the tribes visited were in transition from one tribal administration to another. Thus, many staff members who were considered critical to our information gathering ability were new to their position and didn't have requested data readily available. After months of continuously attempting to gather the information requested, **RJS** came to the realization that we had to establish a final deadline of July 13, 2001, by which Tribes could submit missing data.

The approach utilized during the study can be summarized as follows:

- (1) Communicate on a regular basis with members of the **STEDC** and especially with the Coordinator of Indian Affairs, Mr. Donald "Louie" Clayborn (**N.B.** As of this writing, the new Coordinator is Mr. G. Bruce Meyers);
- (2) Develop instruments for data gathering and obtain input from all interested parties;
- (3) Conduct on-site visits to each reservation at least twice to gather informational data;
- (4) Coordinate visits and data gathering efforts with designated contact person(s) on each reservation;
- (5) Follow up communication to ensure data collection efforts are complete;
- (6) Summarize data on each reservation and share those data with respective Tribal Councils prior to making data and report public; and
- (7) Develop report (executive summary, technical report, and addenda) for dissemination to the Montana Legislature, **STEDC**, Tribal Councils, and other interested parties in an amicable format.

In addition to the research questions mandated by HB 670, **RJS** added another question (i.e., "What is the economic impact of Indian reservations on

surrounding communities?"). The point behind this research question was to make the study not just a "snapshot" reflecting the current **status** of economic development on Indian reservations, but also to present a **dynamic** picture of the impacts the reservations have on surrounding non-Indian communities. Furthermore, this expands the study beyond the status of reservations but also to nearby "border towns" and major trade centers in nearby cities to make the study more relevant to the State as a whole, rather than just reservations alone.

Finally, this study has truly been an immense and painstaking effort of **RJS** staff, led by Dr. Robert Swan. Other team members included: Mr. Loren "Bum" Stiffarm, who coordinated much of the legwork for this study; Mr. James Swan, primary editor of this report; Ms. Barbara Stiffarm and Mr. Neal Rosette, Sr., who ably led data collection teams; Mr. Allen J. LaMere and Mr. Louis "Luke" Parisian, who ably served as team members; Mr. Ted Whitford, the graphic artist for this report; and last, but not least, five American Indian college interns who provided data entry, research, and overall support: Ms. Katherine Swan, Ms. Rose Swan, Ms. Athena Galbavy, Mr. Aaron Morsette, and Mr. Jon Paul Swan.

III. Primary Stakeholders:

While the entire State of Montana should be considered the primary stakeholders in this study, the seven Federally recognized Indian Reservations are viewed as the principal recipients of the information gathered as a result of this report. The results of this economic study can be utilized by State Legislators, Executive Staff, potential private-sector investors, tribal programs, or tribal governments for valuable information which could lead to economic development opportunities.

IV. Challenges and Lessons Learned:

Throughout the time period that **RJS** team members traveled to the respective reservations to collect data for the study, a wide range of adverse situations were confronted which prohibited staff from collecting data or required rescheduling meetings at the various sites. Our team leaders found travel to reservations difficult as they faced bad weather and equally bad roads during the winter months.

In addition, there were a number of Tribes that held elections in the fall, which was the critical time-frame for data collection on the reservations. This caused some minor delays, as team members had to

reinforce new tribal council members and identify new contact people with whom team members worked while on site. Team members found that new Councils and contact people were unaware of the assessment and that it was not a high priority with the Tribes. In many cases, the new Councils and staff persons were just becoming oriented to their new positions within their respective tribal settings. This caused some lapses in data collection as the team leaders relied heavily on the contact people for specific information on the Tribes and directions to locations where data could be collected.

Prior to scheduling the reservation visits, **RJS** developed and revised the primary instruments after soliciting input from the **STEDC** and the Coordinator of Indian Affairs. After four revisions, the primary instruments were approved by the **STEDC**.

The team leaders conducted three separate on-site visits to each of the reservations and as the reader can see, they collected an enormous amount of information. However, each Tribe was asked to fully participate and assist **RJS** in collecting this data when team members were on site at the respective reservations and this assistance was in varying degrees. Prior to **RJS** staff conducting the final visit in April, letters were sent to the Tribes indicating to them what information was still missing and what needed to be collected. When the teams arrived, this information was sporadically available to them. It was our understanding that local contact people fully understood the cooperative effort that was previously agreed upon between **RJS** and Commission members. While no fault lies with any individual entity, a better line of communication with distinct responsibilities for each organization should have been made clear from the beginning of the study.

V. Conclusions:

The end results of this study can only be considered to be the most comprehensive look at the economic conditions faced by the seven Federally recognized Indian Tribes in the State, since they were first relegated to reservations. The study utilized proven assessment instruments and methodologies to glean the most up-to-date data from various departments within each of the reservation's infrastructures. From these data, the editors were able to:

- (1) describe the current economic conditions on each reservation;
- (2) determine the economic impact to the State of Montana and surrounding "Border Town" communities;

- (3) describe the commonalities and differences between reservations; and
- (4) provide recommendations (through the use of survey instruments) to the State Legislature regarding how the State can assist in improving the economies of the reservations.

The professional attitudes and ethics demonstrated by the local contacts were helpful in finding solutions to most problem situations. It was comforting to encounter the hospitality demonstrated to **RJS** team leaders and members during the visits. **RJS** believes that, given the unique circumstances encountered at each of the seven Indian Reservations studied, we have produced a one-of-a-kind report which provides a "snapshot" of the economic conditions encountered by Montana's Indians.

VI. Findings: ECONOMIC IMPACT ON THE STATE OF MONTANA

This section of the report is intended to provide the entire State of Montana, as well as the seven Indian Reservations studied, with a clear understanding of the tremendous financial impact the reservations have on the local and State economies. As mentioned previously, some of the entities targeted for data collection did not respond, which forced the editors of this report to utilize projections (based on per-capita averages) of the data collected versus raw numbers supplied by Tribes. However, **RJS** believes that the final statistics provided in this report are reliable and should be considered an accurate accounting of each reservation. Each reservation was asked to supply total annual payroll information from a number of employers on the reservation to determine the financial impact on their local economies. The following represents a summary of the data collected:

Reservation	Tribal	Education	Housing
Blackfeet	\$15,500,000	\$12,159,232	\$750,000
Crow	\$19,500,000	\$17,027,070	\$1,369,860
Confederated Salish & Kootenai	NR	\$13,751,869	NR
Fort Belknap	NR	NR	NR
Fort Peck	NR	NR	NR
Northern Cheyenne	NR	NR	NR
Rocky Boy	\$4,006,801	\$7,866,417	\$500,000

NR = No Response

- **Tribal:**

Since only three reservations provided the requested data, **RJS** utilized a per-capita formula to come to the conclusion that the seven Tribal Governments and all of their departments had a total combined payroll of **\$125,828,390**.

- **Educational Institutions:**

Again, since only four reservations provided the requested data, **RJS** utilized a per-capita formula to come to the conclusion that the seven reservations' educational institutions had a total combined payroll of **\$70,561,928**.

- **Housing Authority:**

Again, since only three reservations provided the requested data, **RJS** utilized a per-capita formula to come to the conclusion that the housing authorities on the seven reservations had a total combined payroll of **\$8,451,161**.

- **Other Governmental Agencies:**

In this portion of the report, **RJS** targeted the Bureau of Indian Affairs and the Indian Health Service as they are considered the primary governmental employers on each of the seven Indian Reservations, with the exception of the Confederated Salish & Kootenai and Rocky Boy's, who are both Self-Governance Tribes. However, the only governmental entities who reported their total annual payroll were the Fort Belknap HIS, which reported \$5,302,700, and Rocky Boy (Tribal Health Board), which reported \$4,300,000. Therefore, using the same per-capita type calculations as before, we can conclude that total combined payroll from just the IHS or Tribal Health on the seven reservations was approximately **\$106,696,667**.

RJS felt it was extremely important to include the Bureau of Indian Affairs payroll data in this report as almost 90% of the employees working at their respective agency offices are enrolled members of a Federally-recognized Tribe and reside on the reservation. However, after months of persistent on-site visits and telephone calls, it became quite clear that the United States Department of Interior's Bureau of Indian Affairs was not going to cooperate with this extremely vital reservation study.

Conclusions:

Given the fact that the Bureau of Indian Affairs chose **NOT** to provide the information requested for this study, one can surmise that the end results of this section are skewed. On the other hand, the study **ONLY** asked for the total annual payroll from large reservation employers and did not include other variables such as: (1) total value of goods and services purchased to support these entities; (2) annual income and payroll of individual agricultural enterprises and other "mom & pop" type ventures; and (3) average value of seasonal construction projects on the reservation.

Based on the figures presented, **\$311,538,146** in combined annual salaries (excluding BIA) was generated by the seven Indian Reservations in the State of Montana. Given basic economic theory which concludes that each dollar will turn over a minimum of seven times within a community, the Tribes of Montana contribute a whopping **\$2,180,767,022 ANNUALLY** to their local economies. Furthermore, more than 90% of Tribal members indicated that due to a severe lack of local goods and service providers, their entire payroll is usually spent off the reservation (e.g. "border towns" or major commercial centers), stimulating economies other than their own.



Findings: ECONOMIC INFRASTRUCTURE

This portion of the report deals specifically with the current infrastructure (e.g. international airports, railroads, highway systems, banks, etc.) in place on the seven reservations studied.

The data presented below are intended to provide the State of Montana, Tribal business leaders, private entrepreneurs, and potential private sector investors with a general sense of what is currently available in terms of infrastructure on the seven reservations.

Transportation Services:

Reservation	International Airports	Major Highway Systems	Railroads
Blackfeet	Kalispell 100 mi Great Falls 120 mi	US 2 US 89	BN Amtrak
Crow	Billings 70 mi	US 313 US 212 I 90	Billings (Cargo Only)
Confederated Salish & Kootenai	Missoula 60 mi Kalispell 60 mi	US 93	Kalispell (Cargo & Pass.) Missoula (Cargo only)
Fort Belknap	Billings 205 mi Great Falls 160 mi	US 2 MR 66 MR 191	BN Amtrak (Malta)
Fort Peck	Williston 75 mi	US 2	BN Amtrak
Northern Cheyenne	Billings 124 mi	US 212	Billings (Cargo only)
Rocky Boy	Great Falls 90 mi	US 87	BN Amtrak (Havre)

Banking Services:

Reservation	Banks
Blackfeet	Full ranges of services
Crow	Nearest banking in Hardin
Confederated Salish & Kootenai	Full ranges of services
Fort Belknap	Nearest banking in Harlem
Fort Peck	Nearest banking in Wolf Point
Northern Cheyenne	Full range of services
Rocky Boy	Nearest banking in Havre

Conclusions:

As detailed above, the seven reservations reported having a very diverse array of the necessary infrastructure required to stimulate economic development activities. However, other significant data which are paramount to sustaining long-term economic development and gaining the interest of potential private sector investment, was not reported. For example, none of the reservations reported whether they had zoning ordinances, what their telecommunications capabilities were, whether their current water and sewer districts could tolerate

additional developments, or whether they have fiber optic technologies.

Basically, it's quite clear that all of the reservations possess the basic infrastructure needed to attract small manufacturing, service, and possibly limited retail businesses to the reservations. On the other hand, without knowing whether a Tribe had all, or most of the other pieces of the economic puzzle mentioned above, it becomes quite difficult to speculate whether a potential private sector investor would pursue a business venture with a Montana Tribe. Furthermore, none of the reservations reported having a Universal Commercial Code (UCC), which provides investors with adequate safeguards to protect their investments.

In addition, resource rich Tribes such as the Salish & Kootenai, Fort Peck, and Crow have distinct advantages over smaller resource poor Tribes like Rocky Boy and Fort Belknap. Fort Peck for instance, has the largest land base and was recently designated an Empowerment Community by the U.S. Department of Agriculture, which entitles it to an array of resources not available to other non-Empowerment Communities. The Salish & Kootenai Reservation is located in one of the most attractive tourist destinations in the State and the Tribe has an abundance of timber to draw from. The Crow Reservation has some of the most productive agricultural lands in the State and have large coal deposits which provides the Tribe a steady source of income. Both Rocky Boy and Fort Belknap, which are the two smallest reservations in the State, are almost entirely dependent on Federal transfer payments to make ends meet. Therefore, one can conclude that all seven reservations have very distinct economic advantages and disadvantages, and that certain strategies to stimulate economic development may be successful on one reservation and a total failure on another.



Findings: MAJOR COMMONALITIES AND DIFFERENCES ACROSS RESERVATIONS

The authors of this report believe it is imperative to convey to the layperson the commonalities across various features of the seven reservations participating in this study to ensure that the reader is entitled a thorough understanding of each. In addition, this section will also describe the differences across multiple facets of the seven

reservations studied to show why each should be considered a unique and distinct entity. Thus, the underlying objective of including this section into the executive summary is based on the premise that before one can design a comprehensive economic development strategy for **ANY** targeted group, one must be fully knowledgeable about that particular group.

Demographics:

Tribal Populations

Reservation	Tribal Enrollment	Residing on Reservation	%
Blackfeet	15,100	7,500	50%
Crow	10,275	7,031	68%
Confederated Salish & Kootenai	6,944	4,404	63%
Fort Belknap	5,110	3,200	63%
Fort Peck	11,070	6,933	63%
Northern Cheyenne	7,808	4,371	56%
Rocky Boy	5,069	3,331	66%

The reported tribal enrollment from reservation to reservation varies widely from a high of 15,100 at Blackfeet to a low of 5,069 at Rocky Boy. However, the percentage of tribal members residing on their own reservation (average of 61%) was remarkably similar across the seven reservations.

Based on this data, one can deduce that a common population trend among all the reservations is that about 60% of the total tribal enrollment of each reservation actually lives on their respective reservation.

Tribal Land Bases

Reservation	Land Base	Trust Land	Allotted
Blackfeet	1,525,712	513,048	1,012,664
Crow	1,931,670	379,654	1,552,016
Confederated Salish & Kootenai	1,322,287	613,274	709,013
Fort Belknap	697,617	246,247	451,370
Fort Peck	2,174,000	395,893	1,778,107
Northern Cheyenne	444,775	327,547	117,228
Rocky Boy	124,857	122,259	2,598

In order to gain a clear understanding of the status of the above described lands, a brief description is in order:

Trust Lands:

Those lands held in trust by the Federal Government (BIA) for the benefit and use of the entire enrolled membership of that particular tribe. These lands cannot be mortgaged, sold, or traded without the expressed written consent of the tribe in consultation and agreement of the Federal Government.

Allotted Lands:

In 1887, Congress passed the Dawes Act which provided the general legislation for dividing tribally-owned Indian reservations into parcels of land to be given to individual Indians. The Dawes Act allotted 160 acres to any adult male, 80 acres to any female head-of-household, and 20-40 acres to each dependent child. In addition, some of these lands were also reserved by the tribe in order to sustain their livelihoods. However, after only a few years, a large portion of the individually allotted lands were sold to non-Indians which resulted in the checkerboard land patterns of most Indian reservations today.

As the reader can see, the sizes of the seven reservations varied widely from a high of 2,174,000 acres on Fort Peck to a low of 124,857 acres at Rocky Boy. Further, the actual status of these reservation lands differed significantly from reservation to reservation as the larger reservations tended to have a checkerboard ownership pattern, while the smaller reservations were almost entirely Indian owned lands. One important fact shared by all of the reservations was that all were heavily dependent on agriculture as a major source of Tribal income.

Labor Force (Age 16-64)

Reservation	Labor Force	Not Employed	Unemployment Rate
Blackfeet	4,556	3,325	73%
Crow	3,965	2,371	60%
Confederated Salish & Kootenai	2,555	1,695	66%
Fort Belknap	2,780	2,122	76%
Fort Peck	3,468	2,304	66%
Northern Cheyenne	2,437	1,719	71%
Rocky Boy	1,793	1,268	71%

The only reservation with an unemployment rate of less than 61% was the Crow, who reported a rate of 60%. The other six reservations have an average unemployment rate of 70%, with a high of 76% reported on Fort Belknap, and a low of 60% reported on Crow. The bad news is that all seven Indian Reservations are enduring an economic catastrophe, the likes of which have only been seen in the most impoverished Third World countries. The good news is that there exists a large pool of untapped labor on each reservation should possible private sector business choose to locate there.



Governments:

Of the seven Federally-recognized Indian Reservations in the State of Montana, five have constitutions organized under the Indian Reorganization Act (*Howard Wheeler Act of 1934*), and two, the Crow and the Fort Peck Assiniboiné and Sioux Tribes, elected to organize under individually established tribal constitutions.

The Crow Tribe, for example, is organized under a General Council which recognizes all tribal members over the age of 18 as a member of the General Council. One hundred or more eligible voters constitutes a quorum of the General Council. This Council has the authority to represent, act, and speak for the Tribe and its members. General Council meetings are held on a quarterly basis or more often if Tribal business is pressing.

The Crow Constitution also established an Executive Committee to run the daily affairs of the Tribe and is comprised of a Chairman, Vice-Chairman, Secretary, and Vice-Secretary who are all elected at large by the tribal membership and serve two-year terms. The Executive Committee is recognized as the official governing body of the Crow Indian Reservation in regards to pursuing grants, cooperative agreements, and contracts pursuant to Resolution Number 2000-53. (**Note:** At the time of this report, the Crow Tribe held a referendum vote and won approval for a major revision to their constitution which increased the term of Executive Committee members from two years to four years.)

The Fort Peck Tribes adopted their first written constitution in 1927. The Tribes voted to reject a new constitution under the Indian Reorganization Act in 1934. The original constitution was amended in 1952, and completely rewritten and adopted in 1960.

The present constitution remains one of the few modern tribal constitutions that still includes provisions for general councils, which are a traditional tribal type of government.

The official governing body of the Fort Peck Tribes is the Tribal Executive Board, composed of twelve voting members, plus a chairman, vice-chairman, secretary-accountant, and a sergeant-at-arms. All members of the governing body, except the secretary-accountant are elected at large every two years. The secretary-accountant is appointed for a two-year term by the twelve-member board.

As previously mentioned, the remaining five reservations have constitutions organized under the Indian Reorganization Act (*Howard Wheeler Act of 1934*). The only major differences in the governmental structures of these five are the number of elected officials and the term of office.

Further, even though each reservation is considered a sovereign nation, the Federal Government (through various treaties) has a "Trust Responsibility" to ensure the health, education, and welfare of each of the seven reservations in the State of Montana. Thus, Congress delegated this obligation to the U.S. Department of Interior's Bureau of Indian Affairs (BIA) and the U.S. Department of Health and Human Services Indian Health Service (IHS). Both have either field offices (BIA), clinics, or hospitals located on each of the seven reservations, complete with Federal staff who act as agents of the U.S. Government to ensure the accountability of Federal resources targeted to the Tribe. For the majority of Tribes, this relationship can only be described as a one-sided affair in favor of the government.

However, in 1988 Congress established the Tribal Self-Governance Demonstration Project which in 1994 became Public Law 103-413 which basically made financial assistance awards (through negotiated compacts) to Indian tribes to enable them to assume programs, functions, services, and activities of the Indian Health Service, and of the Department of Interior that were otherwise available to Indian tribes or organizations through 638 contracting or through direct services provided by the Federal agency.

The Self-Governance Demonstration Projects initially limited the number of compacts that could be awarded to 30. However, the 1994 Amendments authorized the addition of up to 30 tribes per fiscal year for the 10-year demonstration period not to exceed 18 years. Both the Chippewa Cree Tribe and the Confederated Salish and Kootenai Tribes took

advantage of this opportunity and are now personally responsible for providing nearly all of the services formally provided by the BIA and the IHS. Therefore, one can conclude that being a Self-Governance Tribe enables the governing body to prioritize those programs, services, and resources which are of the utmost importance to individual tribal constituents, while a non Self-Governance Tribe must consult with, and seek approval from, their local Federal agent.



Cultures:

- **Blackfeet Tribe** - The Blackfeet Indians are one of four closely related bands of the Plains Indians in the Algonquian linguistic family. They are the only Plains group of the Algonquian linguistic family to be located in the United States, while a large percentage are found in Alberta, Canada. The Sun Dance, sweat lodges, and the Blackfeet language have all made a significant comeback after years of neglect by education and government officials.
- **Confederated Salish & Kootenai Tribes** - The tribes consist of a confederation of Salish and Pend d'Oriettes Tribes and the Kootenai as an individual tribe.
- **Crow Tribe** - The tribe consists of the Crow or Apsaalooke Indians. The Apsaalooke people practice the traditional Sun Dance and sweat lodges and the Crow language is the predominant language spoken in a majority of Crow households. The annual Crow Fair attracts thousands of dancers and visitors from around the world.
- **Fort Belknap Tribes** - The reservation is the home of the Assiniboiné and Gros Ventre Tribes who operate under one government. Tribal members practice their traditional Sun Dance and sweat lodges at various times throughout the year.
- **Fort Peck Tribes** - The Fort Peck Reservation is home to two separate Indian nations, each composed of numerous bands

and divisions. The Sioux divisions of Sisseton/Wahpetons, the Yantonais, and the Teton Hunkpapa are represented and the Assiniboiné bands of Canoe Paddler and Red Bottom are represented.

- **Northern Cheyenne Tribe** - The Northern Cheyenne Indian Reservation is home to the Northern Cheyenne Indians.
- **Chippewa Cree Tribe** - The Rocky Boy's Indian Reservation is home to the Chippewa and Cree Tribes. Both tribes are descendants of larger bands, with the Chippewa originating in the Great Lakes region and the Cree originating in Alberta, Canada. Tribal members practice their traditional Sun Dance and sweat lodges at various times throughout the year.

As can be seen from the above data, each reservation is very diverse in terms of lineage, language, culture, and religious practices. In addition, four of the seven reservations are inhabited by two totally distinct tribes who were co-located on the same lands and are now considered one tribe.



VII. SUMMARY OF SURVEY RESPONSES

This section of the report is a summary of the various responses received from targeted groups of individuals to the survey instruments administered on each of the seven Indian Reservations. **RJS** felt that it was essential to gather input from a wide cross-section of tribal members and non-Indians either residing on, working on, or conducting business on the reservations surveyed.

Each survey instrument contained numerous questions specifically related to the economic conditions on a particular reservation. Further, all responses were merged into one database which means the summary responses reported constitute the general sentiment of all the reservations combined.

Business:

(1) What can the State of Montana do to improve the economic conditions of Montana Indian Reservations?

- Stop double taxation.
- Offer more lending services.
- Encourage tourism.
- Develop workable and favorable gaming compact.
- Develop economic plans that include the reservation, jurisdictional and employment laws to benefit job creation, partner with reservation for economic development.
- Provide more resources and information on obtaining small business loans and grants.
- Provide Indian preference.

(2) What kind of businesses should Montana Tribes promote on Indian Reservations in the State of Montana?

- Basic infrastructure businesses.
- Home and road construction.
- Grocery stores.
- Tourism.
- Gaming.
- Small businesses.
- Manufacturing.

(3) What major recommendations do you have to improve the economic conditions on your reservation?

- Businesses should hire Indian employees first when staffing their companies.
- Governments (State and Tribal) should buy Indian company products.
- [Tribes should] use the resources that we do have, such as land.
- [Tribes should] organize a reservation-wide active chamber of commerce and agriculture and industry to promote the region rather than just a small community.
- [Tribes should] develop a comprehensive strategic plan utilizing all the resources both on and off the reservation and implement the strategic plan utilizing tax and other business incentives.

- [Tribes should] develop Enterprise Zones and Empowerment Communities. Look into HUB Zones and Renewal Communities.

Community:

(1) What are the major barriers to economic development on your reservation?

- Banks unwilling to provide loans (funding).
- Lack of employment opportunities.
- Lack of training.
- Mediocre leadership at tribal council, no vision, no leadership qualities (untrained/unskilled).
- Lack of money.
- Lack of education.
- Tribal politics.
- Location/Isolation.
- Minimal transportation.
- Poor planning.
- Lack of support.
- Jealousy.
- Leave it to the tribal council.
- There is not enough economy here in the area. It is a financially depressed area.
- Financing problems (money management).
- All talk but no action.
- Lack of experience.
- Taxes, tribal turmoil.
- Corruption.
- Tribal court system.
- Lack of Infrastructure: water, sewer, gas, roads
- Poor tribal management. They are uneducated and make poor decisions.

(2) What do you think the State of Montana should do to encourage economic development on your reservation?

The State of Montana should:

- help us with funding.
- more job opportunities.
- provide more business training.
- provide low interest loans for people to start a business.
- reach an agreement about gaming.
- have more grants available.
- invite business franchises and other major companies to come on the reservation to

start a business that will employ tribal members as employees.

- encourage some economic development.
- promote tourism on the reservation (brochures, advertising).
- be willing to work more with the tribal council and tribal members to improve economic development.
- stay out of tribal affairs and quit trying to tax, gaming, oil, etc.
- provide technical assistance.
- [do nothing] we should do our own.

(3) What major recommendations do you have to improve the economic conditions of your reservation?

- Become further educated.
- Bring outside businesses (i.e., franchises) to the reservation.
- More small business loans available.
- More money to create jobs.
- Develop good work ethics.
- Seek funding.
- A place for the children to hang out.
- Keep politics out of major business decisions.
- Get a better tribal court system.
- Good management.

Colleges:

(1) What can the State of Montana do to improve the economic conditions on Montana Indian Reservations?

- I believe it is important to work with the reservations to develop long-range plans in all areas of economic growth (e.g., tourism, business development, and education).
- Place county seat in town with largest population, give a percentage of taxes to Kesewatin, allow gaming without compact, offer assistance to city and tribal governments for ordinance and planning.
- Provide funding to all tribal colleges for all students who attend, not just for enrolled students. Allow unregulated gaming to occur; allow to tax and set aside money for economic development.

- Work with the tribes and tribal colleges in business development, educational programs, and technical assistance.
- There is not much the State could do or the Tribes should even ask the State to do financially.
- If anything could be done, it would be to support the Tribes in their quest to develop Empowerment Zones and Enterprise Communities.
- To improve the economic conditions on Montana Indian Reservations, the State of Montana and the professionals that carry out the duties of the various state programs must develop a professional, working relationship with all tribal governments and tribal colleges. These are the entities who plan, oversee, and provide the services for the residents of the Indian reservations, are residents of the Indian reservations, and also are residents of the State of Montana.
- Change the gaming compacts.
- Do more work in business development.
- Work out equitable tax structure.
- Provide relevant technical assistance.

(2) What kind of businesses should Montana Tribes promote on Indian Reservations in the State of Montana?

- Tourism, cultural centers, historical sites, and shopping center.
- Tourism, retail, re-manufacturing.
- Based on their local economies; farming, collect former welfare; cultural tourism.
- All kinds of businesses. Try to start small instead of going big and try to get the destructive politics out so that we can move ahead.
- Montana Tribes should promote non-polluting assembly plants, arts and crafts businesses, arts and crafts businesses, construction, agriculture, ranching, and casino.
- The State, along with Tribes, should promote themselves to large corporations to open plants or relocate plants to reservations.
- Small businesses should be developed according to any feasibility studies done by the Tribes.
- Montana tribes should promote all businesses that an individual entrepreneur has chosen to invest their time, finances and life in an attempt to be more self-sufficient and

independent, while making an impact and contributing to the economy in their community, county, state and nation.

- Tourism.
- Value-added agriculture related industries.
- High tech Internet business.

(3) What major recommendations do you have to improve the economic conditions of your Reservation?

- Industrial development, more tourism, and education.
- Make grants available to prospective business owners, to allow the people who work on the reservations to pay taxes, educate Indian people about oppression and educate the Indian people about the dollar cycle.
- Increase access to higher education; educate reservation populations on oppression; need to change tribal constitution separate - power-political; tribes to streamline Tribal governments; Tribes to generate revenue for education.
- A bus system, more small businesses, more manufacturing service companies to create jobs in our own community.
- Increase the funding for education to support schools on the reservation, increase budgeting to support vocational training.
- Creation of a lending institution to allow for the recirculating of monies within the reservation.
- The State of Montana needs to recognize that the seven Indian Reservations exist and to make a conscientious effort to work more diligently with the various tribal entities for the good of ALL the residents of Montana.
- The State of Montana needs to recognize and value the statistics provided by both the Bureau of Indian Affairs labor force report and the U.S. Census Bureau. Presently, the State Department of Labor's statistics do not include data provided by these two reporting agencies. Consequently, the State Department of Labor's statistics completely includes the unemployed figures of each of the Indian Reservations.
- The State of Montana needs to be more willing to share funds and information of potential funds that will benefit the Indian Reservations, as well as throughout the State of Montana, whether it is for education, training, economic development, etc.
- Need for more collaboration between all entities.

- Need for Indian professionals/management across the board.

Schools:

(1) What can the State of Montana do to improve the economic conditions on Montana Indian Reservations?

- Provide job incentives.
- Encourage and promote free enterprise. Sponsor workshops for communities to explain how free enterprise works--i.e., supply and demand concepts.
- Support economic development bills on Indian lands.
- Create jobs on or near reservation. This will enable residents to find employment without leaving or facing relocation issues.
- Support programs that manage state budgets and set dollars for teachers that are available.
- Allow sovereign nations to operate businesses without outside or national interferences. Teaching individuals that affect their businesses -- federal, state, and tribal.
- Set up better funding for highways.
- Equality for reservations -- should not be classed as a second-rate nations. Whatever trickles down to the reservation money should be earned - 'make especially for money' - economic development.
- Provide more funds for school-related jobs. More education funds for all Indian students.
- Train more people for jobs, provide jobs, get more privately owned businesses started.
- Help create new jobs on the reservation.
- Small business grants, Vo-Tech school-further development into technical fields here. Tourism.
- Improve educational opportunities for Native American students.
- Develop educational partnerships between Montana University units and tribal colleges.
- Increase education funding.
- Support tribal colleges.
- Share their economic development expertise, planning, and funding with tribes.
- Collaborate with tribes in planning development of resources--"people."

(2) What kind of businesses should Montana Tribes promote on Indian Reservations in the State of Montana?

- Ones that will have lasting and year-round economic impact.
- All types of businesses.
- Tourism; Mental health facilities for families; Agriculture/Technology.
- Agriculture, Labor intensive manufacturing, and Fine Arts - production and distribution.
- Anything that promotes self sufficiency.
- All kinds of businesses to promote a self-sufficient nation. Small businesses in recreation - fishing, camping, hunting; cultural businesses- grade shops, and cafes.
- Big casinos, resorts, hotels promote cultural activities.
- Oil, lumber, mining of minerals, manufacturing of materials.
- Cattle business, opening coal mines, gas and oil exploration.
- Restaurants, gas stations, grocery stores, clothing stores, movie theater, fast food place.
- Tourism, government contracts, gas and convenience stores, and E-commerce.
- Tourism, truck stop.
- Montana tribes should promote businesses that:
 - Train and employ local tribal members;
 - Do not pollute environment;
 - Spend money in the local economy;
 - Intend to be around for the long haul.
- Small business related to marketing, needs of each community, larger employment resources tied to railroad access--i.e., industrial development, technology development.

(3) What major recommendations do you have to improve the economic conditions of your Reservation?

- Again, free enterprise works if the system is simply allowed. Licensing, taxes etc. need to be predictable and stable. Business owners need to be in full control of their investments, risks, and eventual profits. The tribes need to provide government basics that apply equally to all community members. Business operates successfully most often in a predictable stable environment. All of

Montana and Wyoming businesses suffer from a lack of volume--i.e., lack of population and therefore a lesser amount of sales or business in general.

- Developing communities and also include training that locals should possess.
- Expand and encourage school-to-work for high school students; recognize cultural issues that create job opportunities.
- Produce source of income.
- Information to find private loans for businesses. Clear understanding of all state, Federal, and Tribal laws of businesses.
- To change our tribal momentum, screening for drugs and alcohol for people that are applying for federal assistance.
- People's self-esteem can be built up instead of feeling all people are exposed to when brought up on the reservations.
- I recommend that the tribe hire qualified people for more economic opportunities.
- Have more adults working, taking pride in the work place; including children and giving them pride of their land and home and education.
- Higher standards on the high school level, more parent involvement in their children's education.
- Success breeds success, encouragement to the people to use the education they have.
- Anything to increase employment.
- Partnerships between tribes and major companies
- Free up discretionary income by reducing or eliminating drug sales
- More emphasis on education as a way out of poverty.
- Lets go after a piece of the pie.
- Tie our product "people" into technology development.
- Vocationally--tie into home building, modular (office) building.
- How do we break into transportation industry?
- What part can we take in (build into) air and space travel?
- How do we get into clothing/shoe footwear making--break into Asian industry to U.S.





VIII. RECOMMENDATIONS AND CONCLUSIONS

For Tribes:

- **INFRASTRUCTURE** (i.e., paved roads, water, sewer, utility hook-ups, commercial codes, business zoning, licenses, etc.) is the **FIRST** step tribes must take to foster a positive business environment which is inviting to outside sources of investment as well as local entrepreneurs.
- Business and Politics are two very unique disciplines with one usually able to complement the other (i.e., friendly legislation promoting business development). However, based on the fact that unemployment rates on Indian Reservations average nearly 67% Statewide, tribal politicians often put the employment of tribal members, whether it's a good or bad business decision, ahead of sound business practices. Therefore, educating our tribal leaders about the repercussions of over-hiring versus building a solid reputation and faithful customer base is paramount to succeeding in business **ANYWHERE**. Most small businesses will fail if they don't adhere to their initial cash flow projections and only hire additional staff when the business is established and hiring additional staff is warranted.
- I. Tribes should try to promote small businesses of all types (especially Indian-owned businesses) and keep politics out of business development.
- I. Long range plans in all areas of economic growth are needed.
- I. Partnerships need to be developed between tribes and major companies.
 - Offer more lending services.
- Encourage networking and marketing of the entire reservation.
- Develop Enterprise Zones, Empowerment Communities, and Renewal Communities.
- Access of financial resources due to the fact Natives cannot use their non-deeded land for collateral.
- A comprehensive evaluation of all incentives that a Tribal Government has to offer. Tax breaks, 8(a) status, minority status, Buy Indian Act, Enterprise Communities, HUB Zones, Renewal Communities and other incentives available.
- Tribal Courts must work hand-in-hand with the business community in regards to debt collection (when necessary) or small tribal businesses will never get capitalized by commercial lenders.
- Tribes must take an inventory of community needs including the goods and services required by the community and the current vendors meeting those needs. Once completed, a priority listing of those goods or services that tribal members go many miles to receive should be developed and either individuals or the Tribe should create these businesses on the reservation. Small businesses are started to meet the needs of a given geographic area.
- Tribal governments should give a high priority to the support and development of tribal small businesses in order to stimulate immediate job creation and long-term solutions to chronic unemployment. Every effort should be given to retain the economic dollar within the reservation economy as long as possible. Every Tribe receives millions of Federal dollars each year to purchase goods and services, yet nearly 90% goes to off-reservation providers, while local tribal suppliers struggle to compete for a simple \$500 contract. **RJS** is recommending that

each Tribe develop a “Small Business Re-Investment Policy” which gives all tribal providers first priority in meeting a demand for any goods or services required from governmental or tribal departments. Bid competitions should begin with local providers first before accepting off-reservation offers. The small business re-investment policy must go hand-in-hand with each Tribe’s procurement policy. Procurement policies must be amended to accommodate this concept for the benefit of struggling small tribal business. As the saying goes, “for every dollar invested in the local economy, you can expect that dollar to turn over seven times before leaving that area.” This concept must be **EMBRACED**.

- The development of Universal Commercial Codes should be a priority for tribes as most private sector business will not invest in a community without protection for their investments.

State of Montana:

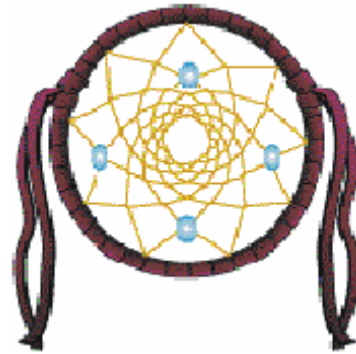
- Many tough decisions must take place at the Tribal Council level as well as the State Legislative level with a give-and-take type of mentality from both sides. One issue is whether to advocate for increased Class III Gaming on Indian Reservations. While the State contends that this would put Indian Reservation gaming at an unfair advantage over the Montana Tavern Association, the Tribes in Montana are saying that they are already at a great disadvantage simply by their rural isolation. One possible solution would be to allow each Tribe to establish one large scale Las Vegas type gaming operation that could be promoted as a destination resort. The State would impose a tax on the net proceeds from these operations, which would be utilized to offset the current taxes paid by non-Indian casino operators. The benefits of this type of an arrangement would have a ripple effect on Montana’s stagnant economy as more welfare recipients are put

to work and more goods and services are required to keep these operations running.

- The State and the Tribes must work cooperatively in promoting the inclusion of Indian Reservations as Enterprise Zones, Empowerment Communities, and Renewal Communities.
- The State of Montana should work with the tribes and tribal colleges in business development, educational programs, and providing technical assistance for developing adequate marketing plans, business plans, and cash flow projections.
- Both the State and Tribes should coordinate to promote a stable free enterprise system on the reservations with various tax incentive packages that include deferred or reduced taxes on start-up wages, inventory taxes, etc. similar to those offered to non-reservation businesses trying to relocate or start-up in Montana.
- The State should improve educational opportunities for Indian students and develop educational partnerships between the University system and tribal colleges to encourage more Indian students to pursue business degrees.
- More State funding for Indian business development that includes a special loan guarantee component for under-secured loans needed for start-up and expansion.
- Most businesses who responded got started with a combination of personal finances and loans.
- Provide training in inventory management, control, and employee relations.
- Offer Tribes a workable and favorable gaming compact.

- Give tax incentives to any development that hires more than 6 employees at a wage over 150% of minimum wage.
- A common response received by many respondents was, “We need more small business loans from commercial banking institutions.” While **RJS** agrees that more small business loans (with accommodating terms) are an essential element for economic development, tribes and banking institutions must come to consensus on a very critical issue, which is jurisdiction when a tribal member (living on the reservation) goes into default. Until tribes and commercial banking institutions can come to the table to work out this recurring issue, banking institutions will always be reluctant to lend in this high-risk environment.

tribal members, college students, elected tribal officials, individuals conducting business on the reservation, and various school districts. They are supported by the data gathered in this important study.



- Many privately-owned tribal businesses have failed due to under-capitalization and a under-estimated or small market. Tribes need better planning assistance.
- The State should refer out-of-state businesses seeking to relocate to tribal reservations that can accommodate their needs.

NOTE: **RJS** has provided these recommendations based on the responses received from individual